



The President's Daily Brief

August 4, 1975

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FOR THE PRESIDENT ONLY

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JAPAN

Prime Minister Takeo Miki will begin his discussions in Washington tomorrow determined to continue his friendship with the US [redacted]
[redacted]

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Chosen to replace Prime Minister Tanaka last December when a deadlock between two more powerful contenders created a crisis in the ruling Liberal Democratic Party, Miki is [redacted] the most progressive [redacted] of recent Japanese leaders.

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The support of Fukuda and the conservative wing of the party has restrained as well as sustained Miki in office. The Prime Minister has occasionally cooperated with opposition parties in the Diet in order to promote reform legislation. This tactic [redacted] has enhanced his reputation as a skillful political maneuverer. Miki has been able to manage fairly effectively the country's economic problems; he has improved relations with South Korea and Nationalist China, and has gotten passage of some modest reform bills. [redacted]

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[redacted]
[redacted] He is a longtime friend of the US and is especially hopeful of contributing personally to the tone of the US-Japan relationship. He will be interested in your views on the Middle East, the SALT talks, and on the Helsinki conference. Of additional interest, of course, will be the future of Asia in the post-Vietnam period and the prospects

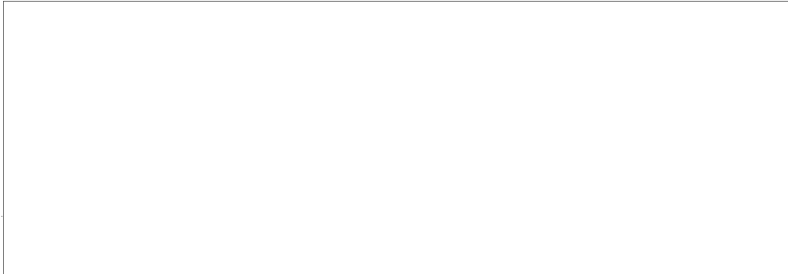
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for cooperative US-Japanese approaches to China, Korea, and Southeast Asia. China is clearly Miki's major preoccupation, however, in view of the stand-off between Tokyo and Peking on negotiations for a peace treaty. The sticking point continues to be China's insistence on a clause--generally regarded as anti-Soviet--condemning "third-party hegemony" in Asia.

Japan's relations with the Soviet Union, meanwhile, remain correct, while economic ties continue to expand. Tokyo and Moscow have no peace treaty of their own because the Soviets have refused to consider Japan's claim to the occupied Northern Territories. At this time, there is little popular pressure in Japan for any concessions to Moscow aimed at improving relations.



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Tokyo has accepted recent events in Indochina philosophically, after an initial period of hand-wringing. Japan's interests in Southeast Asia--access to markets and raw materials--have been largely unaffected by the communist victories and the Japanese are working to establish relations with the new communist governments. At the same time, the Japanese are placing new emphasis on relations with the ASEAN states.



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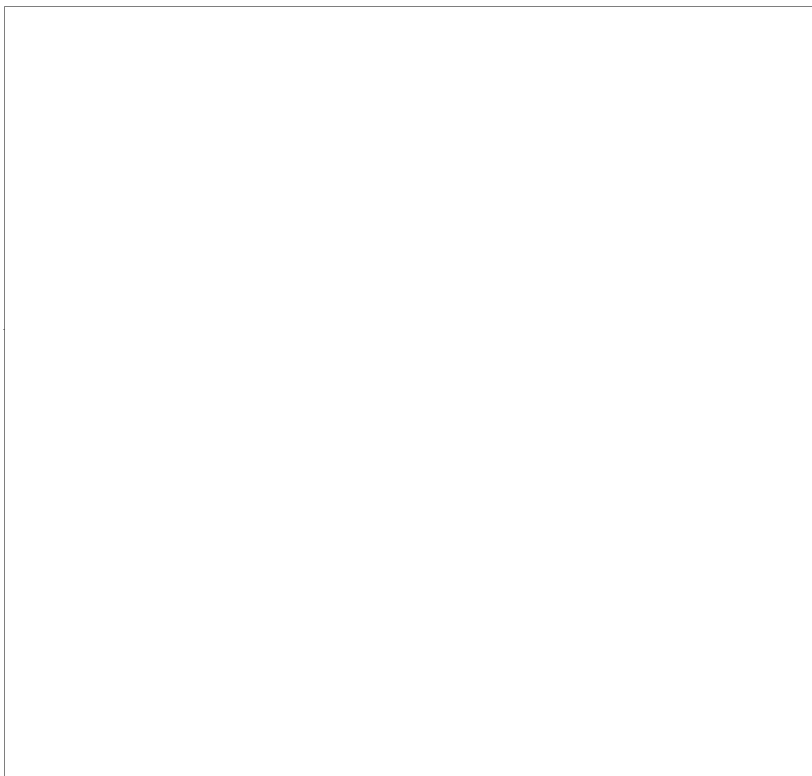
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NOTES

The Organization of African Unity summit ended on Friday after adopting watered-down resolutions on Israel and Palestine. OAU members were asked to increase pressure on Israel at the UN, but only the "possibility" of Israel's future ouster from the organization was mentioned. The OAU merely expressed solidarity with the Palestinians.

The members rejected an Egyptian-sponsored resolution calling for Israel's suspension from the UN General Assembly. They also warded off strong pressure from the Palestinians for the establishment of Palestine Liberation Organization offices in OAU member states. As expected, Ugandan President Amin was elected OAU chairman for the coming year.

* * *

Egyptian Finance Minister Ismail was unsuccessful during his meetings in Moscow last week in getting the Soviets to reschedule payments of Egypt's military debt, according to press reports from Cairo.

Egypt had requested an extension of the ten-year moratorium on its military debt that expired last year. Without this concession, Egypt will have to divert large quantities of exports to the USSR and additional strains will be placed on Cairo's balance of payments. Despite the tough position taken by the Soviets and their insistence on immediate payment of some \$200 million, Moscow undoubtedly wants to continue the dialogue with the Egyptians. Discussions concerning a Soviet offer to expand its participation in Egyptian development plans will take place soon in Cairo and the debt question is sure to be aired again.

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A small group of cabinet officials will be exercising the executive functions of the government when Argentine President Peron begins a one-week vacation today.

The group, dubbed the "mini-cabinet," is led by Interior Minister Benitez, Justice Minister Corvalan, and Defense Minister Garrido. It has gained increasing prominence as the President's authority has all but disappeared and other cabinet ministers continue to be criticized for their links to ousted presidential adviser Lopez Rega. We do not know how President Peron's situation will be resolved, but the majority of the country's military officers still want the civilians to try to muddle through.

* * *

Portugal's new three-man executive still has not formed a cabinet, renewing speculation in Lisbon that Prime Minister Goncalves may be forced to step down.

Meanwhile, the continuing factional strife among the leaders may be affecting discipline in key military units. [REDACTED]

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The ouster, moreover, of nine officers and four sergeants from a commando regiment of the internal security forces last Thursday, apparently for their efforts to purge pro-Communists from the unit, is still in dispute.

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